

AMENDED IN ASSEMBLY MARCH 11, 2003  
AMENDED IN ASSEMBLY JANUARY 23, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 55**

**Introduced by Assembly Member Correa**

December 2, 2002

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An act to amend Sections 31485.7 and 31485.8 of, and to add Section 31658 to, the Government Code, relating to county employees' retirement, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 55, as amended, Correa. County employees' retirement: additional retirement credit.

Under the County Employees Retirement Law of 1937, retirement benefits are calculated, in part, based upon years of service credit. Members of retirement systems subject to that law may receive service credit for employment in public service not otherwise subject to credit, upon payment of specified additional contributions by lump sum or by installment payments over a period of up to 5 years. Those members may be required to complete those payments within 120 days after their effective date of retirement.

This bill would authorize active members of those retirement systems, upon the election of the county board of supervisors, to receive up to 5 years of service credit for additional retirement credit, as defined, upon payment of additional contributions prior to retirement or, in certain circumstances, within 120 days after retirement, by lump

sum or by installment payments over a period of up to 10 years and subject to other conditions, as specified.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 31485.7 of the Government Code is  
2 amended to read:

3 31485.7. Notwithstanding anything to the contrary in this  
4 chapter, a member who elects to purchase retirement service credit  
5 under Section 31494.3, 31641.1, 31641.5, 31646, 31652, or  
6 31658, or under the regulations adopted by the board pursuant to  
7 Section 31643 or 31644 shall complete that purchase within 120  
8 days after the effective date of his or her retirement.

9 This section is not operative in any county until the board of  
10 supervisors, by resolution, makes this section applicable in the  
11 county.

12 SEC. 2. Section 31485.8 of the Government Code is amended  
13 to read:

14 31485.8. Notwithstanding anything to the contrary in this  
15 chapter, a member who elects to purchase retirement service credit  
16 under Section 31494.3, 31641.1, 31641.5, 31646, 31652, or  
17 31658, or under the regulations adopted by the board pursuant to  
18 Section 31643 or 31644 shall complete that purchase within 120  
19 days after the effective date of his or her retirement.

20 This section applies only to a county of the first class, as defined  
21 by Section 28020, as amended by Chapter 1204 of the Statutes of  
22 1971, and Section 28022, as amended by Chapter 43 of the Statutes  
23 of 1961.

24 SEC. 3. Section 31658 is added to the Government Code, to  
25 read:

26 31658. (a) An active member may elect, by written notice  
27 filed with the board, to make contributions pursuant to this section  
28 and to receive up to five years of service credit in the retirement  
29 system for additional retirement credit, if the member has  
30 completed at least five years of credited service with that  
31 retirement system.



1 (b) As used in this section, “additional retirement credit”  
2 means time that does not *otherwise* qualify as county service,  
3 public service, military service, medical leave of absence, or any  
4 other time recognized for service credit by the retirement system.

5 (c) Notwithstanding any other provision of this chapter, service  
6 credit for additional retirement credit may not be counted to meet  
7 the minimum qualifications for service or disability retirement or  
8 for purposes of establishing eligibility for any benefits based on 30  
9 years of service, additional *ad hoc* cost-of-living benefits, health  
10 care benefits, or any other benefits based upon service credit.

11 (d) Any member who elects to make contributions and receive  
12 service credit for additional retirement credit shall contribute to  
13 the retirement fund, prior to the effective date of his or her  
14 retirement, by lump-sum payment or by installment payments  
15 over a period not to exceed 10 years, an amount that, at the time  
16 of *commencement* of purchase, in the opinion of the board and the  
17 actuary, is sufficient to not place any additional financial burden  
18 upon the retirement system.

19 (e) No member may receive service credit under this section for  
20 any additional retirement credit for which he or she has not  
21 completed payment pursuant to subdivision (d) before the  
22 effective date of his or her retirement. Subject to the limitations of  
23 United States Internal Revenue Service regulations, a member  
24 who has elected to make payment in installments may complete  
25 payment by lump sum at any time prior to the effective date of his  
26 or her retirement.

27 (f) Any sums paid by a member pursuant to this section shall  
28 be considered to be and administered as contributions by the  
29 member.

30 (g) This section is not operative in any county until the board  
31 of supervisors, by resolution adopted by majority vote, makes this  
32 section applicable in the county.

33 SEC. 4. This act is an urgency statute necessary for the  
34 immediate preservation of the public peace, health, or safety  
35 within the meaning of Article IV of the Constitution and shall go  
36 into immediate effect. The facts constituting the necessity are:

37 Because of the recent declines in the performance of the stock  
38 market and the impact of those declines on future retirees, and in

- 1 order to provide county ~~employees~~ *employees* a means to offset
- 2 those declines, it is necessary that this act take effect immediately.

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